

BUDGET LETTER

NUMBER: 96-14

SUBJECT: PAST, CURRENT, AND BUDGET YEAR SCHEDULE 10S
(SUPPLEMENTARY SCHEDULES OF APPROPRIATIONS)

DATE ISSUED: AUGUST 30, 1996

REFERENCES:

SUPERSEDES: BL 95-13

TO: Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

NOTE: After submission of initial past year Schedule 10s, Departmental Budget Officers will receive an additional copy of this transmittal letter with their past, current, and budget year Schedule 10s attached. Schedule 10s will not be attached for other recipients of this Budget Letter.

A. GENERAL

Attached is one copy of the Schedule 10s for the past (final version including actual expenditures), current, and budget years. Capital Outlay is being processed separately from State Operations and Local Assistance.

Upon completion per the following instructions, departments must make a copy of the Schedule 10s for their files and submit the original for all three years to the Department of Finance (DOF) along with the 1997-98 Governor's baseline budget package.

B. INSTRUCTIONS APPLICABLE TO ALL THREE YEARS

1. In the 1997-98 Governor's Budget galley, all amounts must be rounded to thousands. However, the past and current year Schedule 10s will reflect whole dollars. Budget year Schedule 10s will be rounded to the nearest thousand, but the three zeros will not be dropped.

After receipt of initial past year Schedule 10s from departments, DOF will:

- a. update and print past year Schedule 10s;
 - b. print initial current year Schedule 10s with authorized dollars but without expenditures, including carryover and reappropriated amounts reported on the past year Schedule 10s; and
 - c. print budget year Schedule 10s without dollars.
2. The appropriation type ("ATYPE") and its description are located in the upper right-hand corner of the Schedule 10 records. The following information describes the differences between carryovers and reappropriations:

a. **Carryover (ATYPE 3-0)**

This Schedule 10 record is for funds available for expenditure in the years following the initial year of appropriation (YOA; i.e., year appropriation is first authorized for expenditure).

Example:

Appropriation in legislation available for three years beginning in 1995-96:

<u>Year</u>	<u>Appropriation Name</u>	<u>ATYPE and Description</u>
1st Year: 1995-96	Chapter X, Statutes of 1995	2-0 Financial Legislation
2nd Year: 1996-97	Carryover Ch. X/95	3-0 Carryover
3rd Year: 1997-98	Carryover Ch. X/95	3-0 Carryover

b. **Reappropriation (ATYPE 4-0)**

This Schedule 10 record is for expenditure of funds authorized by a "reappropriation item" in the Budget Act, or as authorized in other legislation, following the initial appropriation (authorization) year.

Example:

<u>Year</u>	<u>Appropriation Name</u>	<u>ATYPE and Description</u>
1st Year: 1995-96	Support, Dept. Y	1-0 Budget Act Item
2nd Year: 1996-97	Reappropriation Item XXXX-XXX-XXXX/95, as reapp'd by XXXX-490/96 -- Dept. Y	4-0 Reappropriation

3. For each appropriation, departments must verify that all expenditure authorizations are correct. This includes the following:
- a. Verify the "Character" (state operations, local assistance, capital outlay, or unclassified), fund, appropriation identification (if a non-Budget Act item, should match State Controller's records), and the description immediately following the appropriation identification number;
 - b. Verify the "Initial Authorization" dollar amounts by program, category, or project as authorized in the Budget Act or other authority;
 - c. Verify the "Adjustments" by budget revision, executive order, etc., correcting erroneous data and/or adding further adjustments to the appropriate Schedule 10 record, as necessary. Do not use a Form 38 (DF-38)--Missing Record Report. (See Section 5 for proper use of Form 38.);
 - d. Post the dollar corrections made by any adjustments to the "Revised Appropriation Totals" by program, category, or project. Verify the "Authorized", "Expenditures", "Savings", and "Carryovers" amounts by the schedule detail; and
 - e. Verify the "Year of Completion" (YOC; e.g., the last year of availability for encumbrance) for each schedule in the appropriation. For example:
 - If an appropriation is available through any point in time in Fiscal Year 1995-96, then the YOC = 95.
 - If an appropriation is available through any point in time in Fiscal Year 1996-97, then the YOC = 96.
- The YOC is shown in the "Revised Appropriation Totals" section and to the left of the schedule amount in the "Authorized" column. Please be aware that the YOC can vary between programs, categories, or projects within an item.

4. Capital Outlay projects are to be coded pursuant to the coding structure outlined in Budget Letter 95-12. The Schedule 10s should reflect the latest project codes that were created during preparation of the 1996-97 Governor's Budget. However, if the codes are incorrect, departments should make appropriate changes on the Schedule 10s.

If you have any questions regarding capital outlay project codes, please call your DOF budget analyst in the Capital Outlay Unit.

5. The Schedule 10 Missing Records Report, Form 38 (DF-38), Rev 6/96 (copy attached), will be used only in the event an appropriation is not reflected on an automated Schedule 10. In addition to the information requested on the top of the Form 38, departments must reflect the (1) Initial Authorization; (2) Adjustments; and (3) Revised

Appropriation Totals including Expenditures, Savings, and Carryovers. Also, the Year of Completion (YOC) and title of programs, categories, or projects must be shown.

The Form 38s should be placed in the proper sequence; i.e., all Schedule 10s and Form 38s should be arranged in the same order as the appropriations appear in the Reconciliation with Appropriations in the Governor's Budget. Place the correct page number on the attached Form 38; i.e., the page number of the preceding Schedule 10 followed by an "a", "b", etc., as appropriate.

Also, on the automated Schedule 10s, do not duplicate any appropriations reported on Form 38s. The Form 38 amounts must be manually added into the Schedule 10 character and department summary totals. The DOF Financial Operations Unit compares the updated Schedule 10 character and department totals to the previous handwritten totals to verify that all records have been updated.

A Form 38 must also be prepared for every chapter making a specific appropriation. Data on the Form 38 should be recorded in one of two ways:

- a. In the bill, if the appropriation augments an existing appropriation (e.g., the bill reads "in augmentation of Item XXXX-XXX-XXXX, Budget Act of 19XX"), complete the Form 38 to create the appropriation record as follows:
 - (1) Following the "Initial Authorization", include an "Adjustment" on the Form 38 for the Chapter record which will read "Allocation to Item XXXX-XXX-XXXX, Budget Act of 19XX" with a "minus" dollar amount in the "authorized" column.
 - (2) Record the corresponding "plus adjustment" on the Schedule 10 for the Budget Act appropriation that is being augmented; e.g., "Allocation from Chapter X, Statutes of 19XX" with a "plus" dollar amount to the appropriate programs, categories, or projects in the "Authorized" column. (If the appropriation to be augmented is scheduled, a related Budget Revision must be processed to provide the Controller's Office with the detail of the schedules to be augmented.)
- b. If the bill does not include language augmenting an existing appropriation, complete the Form 38 to create the appropriation record for the chapter. No "Adjustment" will be required as expenditures will be recorded against the bill's appropriation.

C. STATE MANDATE INSTRUCTIONS APPLICABLE TO ALL THREE YEARS

Background

Prior to the 1995-96 fiscal year, the Commission on State Mandates' budget (Org Code 8885) funded the expenditures for state-mandated costs. Beginning with the 1995-96 Governor's Budget, the appropriate departments' local assistance budgets funded the past, current, and budget year state-mandated expenditures. The Commission on State Mandates' budget reflected those state-mandated costs in an informational display.

Previously Approved State Mandates

Departments now include proposed Budget Act appropriations to continue funding for mandates which have been funded in previous Budget Acts and/or mandates claims bills.

Funding New State Mandates

The Commission formally adopts a "statewide cost estimate" of the amount required to reimburse eligible local entities for costs already incurred and to be incurred in the upcoming fiscal year for new mandates. Next, they request funding for all such estimates in their annual claims bill. All estimates adopted through November of each year are reflected in the Governor's Budget as "pending legislation", (i.e., the Claims Bill). Estimates adopted between December and May are accounted for in the May Revision as "Set-aside for pending legislation".

As new estimates are approved, the DOF State Mandates Claims Coordinator will notify the affected department and Finance analyst so that a Form 38 can be prepared and submitted for any newly identified mandate. These Form 38s will be prepared as shown on the attached sample.

D. INSTRUCTIONS APPLICABLE TO PAST YEAR

Actual expenditures reported by departments on the initial past year Schedule 10s will be reflected on the final printed past year Schedule 10s. These expenditures must reflect the same dollar amounts reported to the Controller in the year-end financial statements. No changes are to be recorded on these Schedule 10s except in the case of a material adjustment upon which agreement has been reached with the Controller and DOF (Program Budget Manager and Financial Operations) that such an adjustment will be made. In this case, the adjustment and all subsequent changed totals must be clearly noted on the Schedule 10.

E. INSTRUCTIONS APPLICABLE TO CURRENT YEAR

1. Actual past year carryovers or reappropriations must be reflected on Schedule 10s. If no record exists for posting carryover dollars, create the carryover record by preparing a Form 38.
2. The Department must record the estimated full year expenditures, savings, and carryovers in the Revised Appropriation Totals section.

F. INSTRUCTIONS APPLICABLE TO BUDGET YEAR

1. Schedule 10s have been generated without dollar amounts on the basis of current year expenditure authorizations to facilitate departments' preparation of these Schedule 10s, including potential carryovers from the current year.
2. If a new appropriation or reappropriation record is to be created in the budget year, prepare a Form 38. Do not record the new appropriation on an existing record on the Schedule 10 printout by changing the item number, description, etc.
3. If an existing record on the Schedule 10 will not be used in the budget year, cross out the record (do not tear out the page and throw it away, as Financial Operations must delete unnecessary records from the computer files).
4. For potential budget year Budget Act appropriations for capital outlay, Schedule 10 printouts will not reflect the project detail of the corresponding current year Schedule 10 as the new budget year project detail will need to be added by departments. However, if there is an expenditure authority for projects to carry over from current year, the budget year "Carryover" (ATYPE 3-0) Schedule 10 record will include these projects without dollar amounts.

Departments must enter proposed amounts by program, category, or project in the "Authorized" column and the total proposed expenditure amounts in the "Expenditures" column in the Revised Appropriation Totals section only. IT IS NOT NECESSARY TO REPEAT THE DATA IN THE INITIAL AUTHORIZATION SECTION.

5. All budget year amounts must be rounded to the nearest thousand with "000s" included. Current year to budget year carryover amounts also may be rounded in this manner, or departments may choose to record the actual unrounded amount.

Please call the Department of Finance, Financial Operations at (916) 322-5540 (ATSS) 8-492-5540 if you have any questions.



Carl Rogers
Program Budget Manager
Attachments
bl:pc&by10s



Upcoming Budget Letters

- Processing Initial Schedule 10Rs

SCHEDULE 10 MISSING RECORD REPORT (Whole Dollars)

DATE: (Date Prepared) PAGE OF REPORT: 24a SPECIAL NOTE: _____

FISCAL YEAR: (Budget Year) _____

DEPARTMENT Health Services FUND: General Fund

ITEM NO.: 4260-795-0001 ITEM TITLE: Pending Legislation

DOF CODE: <u>546</u>	CHARACTER (Check one): <input type="checkbox"/> 1 State Operations <input checked="" type="checkbox"/> 2 Local Assistance <input type="checkbox"/> 3 Capital Outlay <input type="checkbox"/> 4 Unclassified	TYPE OF APPROPRIATION (Check one): <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> 1-0 Budget Act Item <input type="checkbox"/> 1-2 Budget Act Loan (Non-add) <input type="checkbox"/> 1-7 Budget Act Transfer (Non-add) <input checked="" type="checkbox"/> 2-0 Financial Legislation Appropriation <input type="checkbox"/> 2-2 Financial Legislation Loan (Non-add) <input type="checkbox"/> 2-7 Financial Legislation Transfer (Non-add) </div> <div> <input type="checkbox"/> 3-0 Carryover <input type="checkbox"/> 3-2 Carryover Loan (Non-add) <input type="checkbox"/> 3-7 Carryover Transfer (Non-add) <input type="checkbox"/> 4-0 Reappropriation <input type="checkbox"/> 5-0 Statutory Appropriation <input type="checkbox"/> Other </div> </div>				
PROP 98 (Circle one): Y N Z	STATE MANDATES (Check one): <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
PROP 98 POT: _____						

UCM Code (Schedule Number)	SCHEDULE NAME (Breakdown of Appropriation by Program, Category or Project)	YOC*	Authorized	Expenditures	Savings	Carryovers
98.01.157.988	Peace Officer AIDS Testing (Ch 1579/88)	98	5,600,000	5,600,000		

PLEASE REPRODUCE ON YELLOW

SCHEDULE 10 MISSING RECORD REPORT
(Whole Dollars)

DATE: _____ PAGE OF REPORT: _____ SPECIAL NOTE: _____

FISCAL YEAR: _____

DEPARTMENT _____ FUND: _____
: _____

ITEM NO.:	ITEM TITLE:
-----------	----------------

[illegible]